

PURCHASED WATER ADJUSTMENT FOR
 WATER DISTRICTS AND ASSOCIATIONS
 (807 KAR 5:068)

RECEIVED
 AUG 29 2005
 PUBLIC SERVICE
 COMMISSION

MERDE COUNTY WATER DISTRICT
 (Name of Utility)

8/15/2005
 (Date)

1003 ARMORY PLACE
 (Address)

BRANDENBURG, KY 40108
 (City, State)

270-422-5006
 (Telephone Number)

Case No. 2005-00343

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate shedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>BRANDENBURG</u>	<u>\$1.15</u>	<u>—</u>
<u>HARDIN Co. WD # 1</u>	<u>\$1.1577</u>	<u>\$1.39</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>

- 1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A.
2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From 8/2004 through 7/2005
(month and year) (month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary. **(ATTACHED)**

Supplier(s)	Gallons Purchased during 12 month period
<u>BRANDENBURG</u>	<u>74,292,000</u>
<u>HARDIN Co. WD #1</u>	<u>141,190,600</u>
TOTAL PURCHASES	<u>215,482,600</u>

4. Total sales for the 12 month period 206,428,307.

5. Increased water cost \$ 32,756.

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor \$ 0.16.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold. (ATTACHED)

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date 10/1/05.

Joe Bartley
(Signature of Utility Officer)

Chairman
(Title)

Exhibit “A”

23500 - Meter Charge
7050 Water Charge

FOR Entire Area Served

P.S.C. Ky. No. 1

139 per 1000
22 meter charge per 1000 gal

Tariff for

HARDIN COUNTY WATER DISTRICT No. 1

of

1400 Rogersville Road, Radcliff, Kentucky, 40160

Providing Water Service For

Radcliff, Kentucky

Portions of Hardin and Meade Counties and Surrounding Area as Recorded
on Page 19 in the Order Book of the County Court Clerk
of Hardin County dated July 15, 1952 and Amended by Additional Territory
by the Judge Executive of Hardin County in 2000

Filed with the

PUBLIC SERVICE COMMISSION of KENTUCKY

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 11 2002

DATE OF ISSUE March 13, 2002

ISSUED BY: Jim Bruce
Hardin County Water District No. 1, Radcliff, Kentucky

Mr. Jim Bruce, General Manager

Pub. Serv. Comm. of Ky.
SECTION 9 (1)
BY Stanley D. Bell
SECRETARY OF THE COMMISSION

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 9

(Canceling: Sixth Revision, Sheet No. 4; Sixteenth Revision, Sheet No. 5; Second Revision, Sheet No. 6; First Revision, Sheet No. 8; First Revision, Sheet No. 5A and First Printing, Sheet No. 9)

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE: RATES, SURCHARGES AND MONTHLY CHARGES

2. Rates and Charges;

- a. **Customer Meter Charge:** Each customer shall pay this charge monthly for each month in which part of the month the account was active. This charge applies to all customer classes including Wholesale accounts. The full charge shall apply regardless of how many days in that month the account was active. The charge is required to recover all costs associated with providing a customer meter and service connection, testing the meter periodically, obtaining a meter reading monthly, preparing a bill and presenting to the customer and collecting payment of the current bill amount. The charge recovers all costs of service including overhead amounts such as payroll taxes, personnel benefits, capital equipment, depreciation on capital equipment and debt service to finance equipment. The charge varies by the meter size and the charges per month are;

Meter Size	Monthly Charge
5/8 Inch	\$4.70
3/4 Inch	\$7.05
1.0 Inch	\$11.75
1.5 Inch	\$23.50
2.0 Inch	\$37.60
3.0 Inch	\$70.50
4.0 Inch	\$117.50
6.0 Inch	\$235.00

- i. **Customer Requested Change in Meter Size:** A customer may request a smaller or larger size meter. The customer will be required to pay any additional charges for Meter Connect Fees as shown on Sheet No. 7 (Fifth or latest revision) prior to the change in the Customer Meter Charge. The customer requesting a smaller size meter must accept the reduced flow volume at the service address and the District will not be responsible to know or calculate the impact to the customers plumbing demands or fixture flow rates.

- b. **Private Fire Line or Hydrant:** Customers who require a dedicated fire protection main or fire hydrant for their address for fire protection purposes must pay a monthly charge for this service. This charge recovers the cost to the District to pay for larger facilities than would normally be needed for potable, domestic water use and ensure that higher flow rates are available for those customers that demand stand-by fire protection. The charge also recovers

APR 11 2002

DATE OF ISSUE March 13, 2002

ISSUED BY: Jim Bruce
Hardin County Water District No. 1, Radcliff, Kentucky

Mr. Jim Bruce, General Manager

PURSUANT TO 807 KAR 200.1
SECTION 9(1)
BY Shirley A. Bell
SECRETARY OF THE COMMISSION

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 11

(Canceling: Sixth Revision, Sheet No. 4; Sixteenth Revision, Sheet No. 5; Second Revision, Sheet No. 6; First Revision, Sheet No. 8; First Revision, Sheet No. 5A and First Printing, Sheet No. 9)

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

d. **Wholesale Rate:** The wholesale rate shall apply to all water used and shall be based on each 1,000 gallons used and shall be rounded for amounts smaller than 1,000 gallons depending on the capabilities of the District's billing software. The rate are as follows:

i. All water used = \$1.39 per 1,000 gallons

ii. All other terms and conditions for a Wholesale Customer are included in the Wholesale Users Agreement which a sample of is included in this tariff. Each wholesale customer must sign the agreement which shall also include the rate and volume of water that will be provided and what are the responsibilities of both the customer and the District.

e. **Late Penalties:** All customers who do not pay the amount due by the due date will be assessed an additional **ten (10) percent** as a late charge to the past due amounts. Said late charge shall apply to all charges and fees, excluding any previous late penalties, included in the outstanding balance on the due date. In order to avoid a late penalties being added, the payment must be received at the District office on the due date shown on the customer bill. If the due date falls on a holiday when District offices are closed, the payment must be received on the first business day prior to the due date. The District cannot be responsible for slow mail delivery, lost mail or other causes beyond the District's control which may make the payment arrive after the due date.

3. **Estimated Bills:** If a meter reading cannot be obtained because the meter is not working, or access to the meter has been denied due to weather or customers causes, the District may determine the customers water use and prepare a bill using an estimated use. The method of estimating will normally use a three (3) month average, however the District reserves the right to use other methods or calculations. If a bill is estimated, it will be noted on the bill.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 11 2002

PURSUANT TO KY REV. STAT.
SECTION 9 (1)
BY Stephen D. Bruce
SECRETARY OF THE COMMISSION

DATE OF ISSUE March 13, 2002

ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 40 Years

409 West Lincoln Trail Boulevard
Radcliff, KY. 40160

March 26, 1996

Mr. George Thomas, General Manager
Meade County Water District
3600 Flaherty Road
Vine Grove, KY. 40175

Subject: Wholesale Rate Calculation

Dear George;

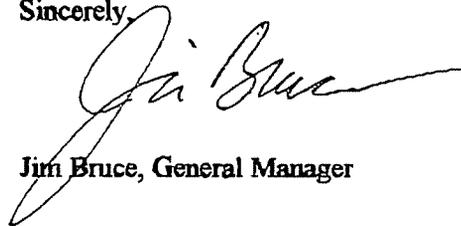
We have completed the annual review of your wholesale water rate based on certain operating costs. Based on this analysis and the terms of our contract, MCWD's rate will be \$1.1577 per thousand gallons for the next contract period, November 1996 through 1997. This represents a 0.6% increase over the current rate of \$1.15/kgal. A copy of the cost analysis, completed by the C.P.A. firm of Stiles, Carter, Burba & Associates, is also enclosed.

Of this increase, 78% was attributable to increased costs and maintenance repairs at our water plants. Part of the increase was also due to the filling of the General Manager's position in late, 1994. This position had been vacant for most of 1994. Based on your current monthly use, the increase to your water purchase costs would be about \$350 over twelve months.

We are progressing on the Ft. Knox Interconnect design. To date, we have submitted a proposed site plan to Ft. Knox for review and approval. Our engineer projects that the facility could be on line in late, 1997. If this did occur, any increases to your rate, caused by higher water purchase costs from Ft. Knox, would not be significant until the end of our 1998 fiscal year and not be implemented in your monthly billings until November, 1999. We are still hopeful that elimination of costs at our Muldraugh WTP and West Point Well Field will substantially offset increased water purchase costs.

We do value and appreciate MCWD as our customer. Please call me at 351-3222 if you have any questions or concerns.

Sincerely,



Jim Bruce, General Manager

c: Mr. Ron Vasquez, Chairman HCWD #1
Meade County Fiscal Court Judge Executive, Mr. Joe Hager
HCWD#1 Billing

Enc.

Phone 1-502-351-3222

FAX: 1-502-352-3055

Meade County Water District
Purchase Water Adjustment
8/11/2005

- **Current Rates Implemented in 1989**

First 2000 Gal.	\$14.55 minimum
Next 5,000 Gal.	7.25 per 1,000 Gal
Next 10,000 Gal.	6.95 per 1,000 Gal.
Next 20,000 Gal.	6.25 per 1,000 Gal.
Over 37,000 Gal.	5.25 per 1,000 Gal.
Bulk Rate	\$5.25 per 1,000 Gal.

- **Water Usage August 2004 to July 2005**

74,292,000	Gallons purchased from Brandenburg (34.5%)
<u>+ 141,190,600</u>	Gallons purchased from HCWD #1 (65.5%)
215,482,600	Total Gallons Purchased
<u>- 206,428,307</u>	Total Gallons Sold
9,054,293	Unsold Water

- **Rate Increase From Suppliers**

4/11/02	HCWD #1	\$0.232 per 1,000 gallons (\$1.1577 to \$1.39 per 1000 Gallons)
141,190,600 / 1000	=	141,191
141,191 x \$0.232	=	\$32,756 (Additional Annual Cost)
\$32,756 / 206,428 (total gallons sold)	=	\$.16 per 1000 Gallons

- **Proposed Rates With Pass-Thru Increase (\$.16 per 1000 Gallons)**

First 2,000 Gal.	\$14.87 minimum
Next 5,000 Gal.	7.41 per 1,000 Gal
Next 10,000 Gal.	7.11 per 1,000 Gal.
Next 20,000 Gal.	6.41 per 1,000 Gal.
Over 37,000 Gal.	5.41 per 1,000 Gal.
Bulk Rate	\$5.41 per 1,000 Gal.

Meade County Water District

1003 Armory Place
 Brandenburg, KY 40108
 (270) 422-5006

Water Usage Past 12-Months	HCWD Gallons	City of B-Burg	Total Purchased	Sold Resident	Otter Creek	Doe Valley	Pump Station	Total Sold	Difference
Aug-04	13,068,700	5,628,000	18,696,700	14,854,939	1,252,000	0	276,400	16,383,339	(2,313,361)
Sep-04	9,499,000	6,402,000	15,901,000	14,356,668	1,077,000	0	297,400	15,731,068	(169,932)
Oct-04	14,153,500	5,347,000	19,500,500	13,341,588	588,000	0	310,000	14,239,588	(5,260,912)
Nov-04	10,120,000	4,983,000	15,103,000	12,771,822	353,000	0	227,900	13,352,722	(1,750,278)
Dec-04	9,469,700	7,876,000	17,345,700	12,084,655	410,000	0	209,060	12,703,715	(4,641,985)
Jan-05	11,060,200	4,469,000	15,529,200	14,465,802	354,000	883,000	207,700	15,910,502	381,302
Feb-05	11,127,700	6,148,000	17,275,700	12,651,783	290,000	3,273,000	191,700	16,406,483	(869,217)
Mar-05	12,866,500	5,188,000	18,054,500	10,866,099	338,000	3,475,000	202,900	14,881,999	(3,172,501)
Apr-05	14,088,000	6,092,000	20,180,000	14,087,542	396,000	3,656,000	225,000	18,364,542	(1,815,458)
May-05	12,970,700	6,242,000	19,212,700	13,734,753	561,000	5,205,000	329,300	19,830,053	617,353
Jun-05	12,897,900	6,828,000	19,725,900	16,571,876	744,000	5,825,000	392,200	23,533,076	3,807,176
Jul-05	9,868,700	9,088,000	18,957,700	17,387,120	929,000	6,435,900	339,200	25,091,220	6,133,520
TOTALS:	141,190,600	74,292,000	215,482,600	167,174,647	7,292,000	28,752,900	3,208,760	206,428,307	(9,054,293)

Meade County Water District
1003 Armory Place
Brandenburg, KY 40108
270-422-5006

Minutes: July 19, 2005

Meeting was brought to order by Mr. Bartley at approximately 7:00 pm.

PRESENT:

Meade County Personnel: Joe Bartley (Chairman), Doug Cornett (Commissioner), Jon Whitfield (Treasurer), Rebecca Richardson (Secretary), Wesley Prather (Commissioner), Tim Osborne (Field Manager), Donna Schenck (Office Manager) and Debbie Rockwood (Billing Clerk).

Guests: Tom Clark, Jamie Staples, Steve Durbin, Bob Sturdivant, Kevin Brian, Larry Walko, Marilyn Hart.

PUBLIC SESSION:

Guests: The board recognized Mr. Tom Clark. As in past meetings, he would appreciate whatever the board could do in regards to Sand Ridge Road.

Jamie Staples (Magistrate) attended meeting to gather information.

Larry Walko, Steve Durbin and Marilyn Hart attended meeting to gather more information on the Doe Run/ Ekron Project.

SECRETARY'S REPORT:

Secretary's report was accepted as submitted.

FINANCIAL REPORT:

Motion was made by Mrs. Richardson to accept the Financial Report as submitted. Motion was seconded by Mr. Prather. Motion was passed unanimously.

TIM'S REPORT:

Tim reported that 7 new meters have been set. A water main break on 7-5-05 occurred off HWY. 144 in Flaherty and also on 7-12-05 on St. Martins Rd. in Flaherty. A boil water advisory was issued for both occurrences but were later lifted. Routine maintenance and meter change outs are being done.

Mr. Osborne presented proposal for contracting work on the following in-house projects.:

HWY 1638/ Doll House
\$7000- contractor
\$4300- under road bore
\$4600- materials (*approximate*)

HWY 60
\$6500-contractor
\$2200-materials (*approximate*)

Doe Run/ Ekron Rd
\$22,800- contractor
\$24,803-materials

After checking with Mrs. Schenck if the district could financially afford to do all 3 projects Mr. Cornett made a motion accept the proposal as submitted. Mrs. Richardson seconded. Motion passed unanimously.

OLD BUSINESS:

No old business issues.

“Quality on Tap”

Meade County Water District

1003 Armory Place
Brandenburg, KY 40108
270-422-5006

NEW BUSINESS:

Quest Engineers:

Bob Sturdivant and Kevin Brian attended the meeting for Quest Engineers to discuss several issues. In April 2002 HCWD#1 raised their rates by 0.24 cents per 1000 gallons for purchasing bulk water. Since that time the water district has absorbed the additional increased cost of water. The water district has not had a rate increase since 1989. The engineers presented the Board with the following information and proposal.:

****Rate Increase from Suppliers**

4/11/02 HCWD 0.24 per 1,000 gallons (\$1.35 per 1000 gallons)

131,234,000/1000	= 131,234
131,234 x .24	= \$31,496(Additional Annual Cost)
\$31,496/ 171,422(total gallons sold)	=\$.18 per 1000 gallons

Proposal: Pass-thru a rate increase of 0.18 cents per 1000 gallons of water. After a discussion by Board members, managers and engineers Mr. Bartley made the motion to apply to PSC for a pass-thru rate increase of \$.18 per 1000 gals. as presented. Mr. Cornett seconded. The motion passed unanimously. Mrs. Schenck suggested that the increase could be better implemented at the start of a billing cycle. All agreed. The engineers will start the process of submittal to the Public Service Commission and the increase would take effect after PSC approval.

Phase VI Project:

The following water system improvements comprise the Phase VI Project:

Molly Brown Extension
KY 79 Extension
KY 1816 Grid tie
US 60 Extension
Upgrade KY 144 BPS
KY 144 Extension
Alternative Routes: Sand Ridge Rd., Knotts Rd, Fred Fackler Rd.

Projected cost for all extensions in Phase VI is \$1,673,400.00. Total grant money from the KY General Assembly is \$785,097.00. This would leave approximately \$889,000 to borrow. The pass-thru rate increase plus the additional customers from these extensions should enable the district to meet a yearly loan payment, as per the engineers figures.

Motion was made by Mr. Whitfield to accept and proceed with the Phase VI Project as submitted. Mr. Cornett seconded. Motion passed unanimously

Computers:

New computers and software were discussed. Mr. Osborne stated that his PC needed to be upgraded for the mapping system software. Mrs. Schenck added that the PC used for meter reading and billing would also need to be replaced or the hand-held metering system would not work on our current operating system. Motion was made by Mr. Prather to accept the purchase of the new computers and Back up Software. Motion was seconded by Mrs. Richardson. Motion passed unanimously. An estimated cost for computers and back-up software is approximately \$3000.

\$1539- Tim's Computer
\$1225-billing and meter read
\$59-Back up software

NIMS:

Mr. Osborne and Mrs. Schenck presented the Board with a memo from the Lincoln Trail Area Development District indicating a resolution needed to be adopted by the water district accepting NIMS (National Incident Management System) as the standard for incident management. This will keep the district in compliance with

Meade County Water District

1003 Armory Place
Brandenburg, KY 40108
270-422-5006

state and federal requirements. Mrs. Schenck added that some additional training will be needed by management. Mr. Prather made the motion to adopt the resolution as presented. Mr. Cornett seconded. Motion passed unanimously. (Copy attached)

With no further items on the agenda, Mr. Bartley made the motion to adjourn at 7:55 pm. Seconded by Mrs. Richardson. The next regular scheduled meeting is for Aug. 16, 2005 at 7:00 pm.

Respectfully submitted,
Rebecca Richardson
Secretary, MCWD

“Quality on Tap”